

Doug Jensen - Re: Moab Salt Bond Meeting*m/19/005*

From: Wayne Hedberg
To: Doug Jensen
Date: 11/8/02 11:11 AM
Subject: Re: Moab Salt Bond Meeting
CC: Mary Ann Wright

Thanks for the update Doug. Sounds like it was a good meeting. Please keep me informed on the amount of time you find yourself allotting to this project as things proceed with the new consultant.

>>> Doug Jensen 11/08/02 10:04AM >>>

On Thursday Nov. 7, I met with Richard Schowengerdt, a representative of Envirogen Inc. based in Salmon, Idaho. He wanted to discuss the direction that Envirogen would be taking in calculating the reclamation liabilities of the Moab Salt permit.

He stated that he had been charged with the responsibility of coming up with a preliminary bond amount that would be plus or minus 30% of the final figure. During this process he would like to work with the Division to arrive at this figure.

He stated that they were presently working with a demolition company to better define the demolition costs of the buildings at the site. I requested a spreadsheet on these costs and costs related to reclaiming the site for better definition of work disciplines in the bond calculation.

Rich stated that at the approach of the reclamation bond would be to return the site to grazing and mineral exploration. He also stated that they would be looking at filing an amendment to the present reclamation plan to present another approach to closing the solar evaporation ponds and the area in and around the tailings pond. His approach seemed to suggest that our statements about the difficulty of approving a post-mine land use change ~50 years into the future would be difficult for the Division to approve.

Because of the complexity of this bond, Rich suggested that Envirogen would like to break the bond into sections which he would submit to the Division for review, rather than try to submit a completed estimate for us to review. This would require more time on my part initially, but in the long run I think it will speed up the overall review process.

He also stated that because of the complexity of submitting a plus or minus 30% estimate to Intrepid, he would not have anything to submit to the Division by the suggested December 10 meeting. I suggested that he advise Rick York and have him notify us by mail of this fact and propose a more realistic time frame for the meeting.

In the interim he will work with me to attempt to arrive at a reclamation figure for this meeting.